

1 HERUM\CRABTREE\SUNTAG  
2 A California Professional Corporation  
3 DANA A. SUNTAG (California State Bar No. 125127)  
4 LORIS L. BAKKEN (California State Bar No. 215033)  
5 5757 Pacific Avenue, Suite 222  
6 Stockton, California 95207  
7 Telephone: (209) 472-7700  
8 Facsimile: (209) 472-7986

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10 Attorneys for Chapter 7 Trustee  
11 GEOFFREY RICHARDS

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UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA

In re: ) NO: 13-22346-C-7  
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12 J. PEDRO ZARATE, ) DC No.: HCS 3  
13 )  
14 Debtor. ) MOTION TO ABANDON PROPERTY  
15 ) OF THE ESTATE  
16 ) Date: May 27, 2014  
17 ) Time: 9:30 a.m.  
18 ) Place: Department C  
19 ) The Honorable Christopher M. Klein  
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1 Chapter 7 Trustee Geoffrey Richards respectfully requests Court  
 2 authorization<sup>1</sup> to abandon the following real properties listed on Debtor's Schedule A:

3 i) 8192 Creek Estates Way, Sacramento, California (the "Creek Estates  
 4 Property"); and  
 5 ii) 10826 Walmart Road, Wilton, California (the "Walmart Property"),  
 6 (collectively, the "Properties").

7 The Trustee wishes to abandon the Properties because there is no equity in  
 8 the Properties and, therefore, they are burdensome to the estate, are of inconsequential  
 9 value, and provide no benefit to the estate.

10 In support of this motion, the Trustee represents the following:

11 1. On February 22, 2013, the Debtor filed the instant case under Chapter 13,  
 12 *pro se*. On September 16, 2013, the Court ordered the case converted to Chapter 7. (Docket  
 13 No. 140). Geoffrey Richards was appointed Chapter 7 Trustee. (Docket No. 141).

14 2. In his schedules, the Debtor disclosed property values, exemptions, and  
 15 secured claims on the Properties as follows:

16 (i) Creek Estates Property: value of \$388,300, no exemptions, and no  
 17 secured claims;  
 18 (ii) Walmart Property: value of \$260,500, no exemptions, and no  
 19 secured claims.

20 (Docket No. 27).

21 3. Creditor Bank of America, N.A. filed a secured claim for \$973,077.50 based  
 22 a promissory note executed by the Debtor and secured by a deed of trust on the Creek Estates  
 23 Property. The claim appears to be valid. (Claim No. 5-1).

24  
 1 The Trustee believes Bankruptcy Code Section 554 and Rule 6007 of the Federal  
 25 Rules of Bankruptcy Procedure allow trustee abandonment to occur simply by  
 26 appropriate notice (assuming no party timely objects). Here, the Trustee is  
 proceeding by motion to obtain an order, consistent with this Court's General Order  
 EDC 4-862.

1           4. Creditor The Bank of New York Mellon filed a secured claim for  
2 \$817,514.26 based a promissory note executed by the Debtor and secured by a deed of trust  
3 on the Walmart Property. The claim appears to be valid. (Claim No. 6-1).

4           5. In addition, on March 31, 2014, Creditor The Bank of New York Mellon filed  
5 a Motion for Relief from Automatic Stay related to the Walmart Property in which it states the  
6 Debtor owes \$852,620.64 on the Walmart Property. The bank does not dispute the Debtor's  
7 valuation of the Walmart Property. (Docket No. 306).

8           6. The Trustee has investigated the tax implications of a foreclosure sale of  
9 the Properties. He also determined that based on the value and outstanding liens on the  
10 Properties, a sale of either of the Properties would not produce any equity for the bankruptcy  
11 estate. (Richards Decl., ¶ 2).

12           7. Bankruptcy Code Section 554(a) states that the Trustee, after notice  
13 and a hearing, may abandon property of the estate that is burdensome to the estate or of  
14 inconsequential value and benefit to the estate.

15           8. The Trustee does not dispute the Debtor's stated value of the  
16 Properties or the banks' representations regarding the amount of their liens on the  
17 Properties. Because the lien amounts greatly exceed the values, the Properties have no  
18 equity for the bankruptcy estate. (Richards Decl., ¶ 3-4).

19           THEREFORE, the Trustee respectfully requests that the Court authorize him  
20 to abandon the Properties, and that it grant such other and further relief as is appropriate.

21 Dated: April 25, 2014

HERUM\CRABTREE\SUNTAG  
A California Professional Corporation

22 By: /s/ Dana A. Suntag  
23 DANA A. SUNTAG  
24 Attorneys for Chapter 7 Trustee  
GEOFFREY RICHARDS